



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2009 Biennium

Bill #	SB0162	Title:	Revise genetics program laws
Primary Sponsor:	Schmidt, T.	Status:	As Introduced-Revised

- | | | |
|----------------------------------------------------------------------|------------------------------------------------------------------|----------------------------------------------------------|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input checked="" type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
Expenditures:				
State Special Revenue	\$145,000	\$290,000	\$290,000	\$290,000
Federal Special Revenue	\$37,410	\$74,710	\$76,578	\$78,492
Revenue:				
Federal Special Revenue	\$37,410	\$74,710	\$76,578	\$78,492
Net Impact-General Fund Balance	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: This bill expands the genetic and metabolic conditions for which newborns are screened and allows the Department of Public Health to contract for follow-up services. Increased state costs arise from the follow-up services and the Medicaid costs for the expanded testing on Medicaid patients.

FISCAL ANALYSIS

Assumptions:

Department of Public Health and Human Services

Public Health & Safety Division

1. This bill will expand the battery of Newborn Screening tests from four tests to 29 tests via Administrative Rules.
2. DPHHS will contract for a follow up program that will monitor and assure access to services for those children identified as having inborn errors of metabolism.
3. The effective date of the administrative rule change and the establishment of program contracts would be January 1, 2008
4. Funding for the newborn screening follow-up will be 100 percent interest proceeds, from the tobacco trust fund, per Decision Package 70005.

5. No additional FTE are requested. Funding will be allocated using contract services as follows:
- | | |
|---------------------------------------------------|-----------|
| Metabolic Specialist (1,248 hours times \$100.00) | \$124,800 |
| Nutritionist (832 hours times \$41.00) | \$ 34,112 |
| Nurse Coordinator (1,560 hours times \$35.00) | \$ 54,600 |
| Genetic Counseling (1,040 hours times \$33.00) | \$ 34,320 |
| Resources and Training | \$ 7,828 |
| Total | \$255,660 |
6. FY 2008 revenue and expenditures will be 182,410; FY 2009-2011 expenditures and revenue total \$364,710 plus projected increases each year.

Health Resources Division:

7. The Department of Public Health and Human Services (DPHHS) assumes this bill will expand the number services for metabolic and genetic testing for Medicaid clients.
8. Medicaid clients who have received Medicaid Birth services in FY 2006 are 4,363. The federal government mandates that all Medicaid births receive new born screening tests which currently cost \$40.00 per recipient. Of those 4,363, one-half, 2,182, received the expanded screening tests costing \$90.00 per recipient. The remainder 2,181 only received the federal government mandated screening services costing \$40.00 per recipient.
9. The newborn screening costs mandated by the federal government currently cost \$40 per recipient. The additional screening test mandated by the bill would increase the screening cost to \$90 per recipient. The expanded genetic and metabolic tests mandated by the bill will cost \$50.00 more per Medicaid client (\$90 - \$40).
10. The total estimated benefit costs for the program are \$54,525 for FY 2008 ($50.00 \times 2,181 = \$109,050$ divided by 2 (half a year) = \$54,525), and FY 2009, \$109,050 ($50.00 \times 2,181 = \$109,050$), an increase of 2.5 percent for FY 2010, \$111,776.25, and an increase of 2.5 percent for FY 2011, \$114,570.66.
11. The impact to state special revenue fund is shown below. This is based on a Federal Medical Assistance Percentages (FMAP) of 68.61 in FY 2008, 68.51 in FY 2009, estimated 68.51 in FY 2010, and 68.51 in FY 2011. State share is as follows:
- FY 2008 - $\$54,525 \times 31.39 \text{ percent} = \$17,115$
 - FY 2009 - $\$109,050 \times 31.49 \text{ percent} = \$34,340$
 - FY 2010 - $\$111,776 \times 31.49 \text{ percent} = \$35,198$
 - FY 2011 - $\$114,571 \times 31.49 \text{ percent} = \$36,078$

Expenditures:

Operating Expenses	\$127,885	\$255,660	\$254,802	\$253,922
Benefits	\$54,525	\$109,050	\$111,776	\$114,571
TOTAL Expenditures	\$182,410	\$364,710	\$366,578	\$368,493

Funding of Expenditures:

State Special Revenue (02)	\$145,000	\$290,000	\$290,000	\$290,000
Federal Special Revenue (03)	\$37,410	\$74,710	\$76,578	\$78,492
TOTAL Funding of Exp.	\$182,410	\$364,710	\$366,578	\$368,492

Revenues:

Federal Special Revenue (03)	\$37,410	\$74,710	\$76,578	\$78,492
TOTAL Revenues	\$37,410	\$74,710	\$76,578	\$78,492

Net Impact to Fund Balance (Revenue minus Funding of Expenditures):

State Special Revenue (02)	(\$145,000)	(\$290,000)	(\$290,000)	(\$290,000)
Federal Special Revenue (03)	\$0	\$0	\$0	\$0

Technical Notes:

1. This fiscal note updates the decision package (DP 70005) in the Department of Health and Human Services budget funding request for \$145,000 SSR in FY 2008 and \$290,000 SSR in FY 2009. Specific details are provided on contract services and costs for anticipated Medicaid clients who will participate in these mandatory newborn screenings.
2. Medicaid federal matching dollars were not shown in the original Governor's budget proposal, but are discussed under Health Resources Division's assumptions in this fiscal note. State match will come from the State Special Revenue funding (Tobacco Trust Interest).
3. This bill would be effective on October 1, 2007; however, allowing for program implementation, which would involve administrative rule changes and establishment of program contracts, will result in a program start date of January 1, 2008.

*Sponsor's Initials*_____
*Date*_____
*Budget Director's Initials*_____
Date